

FORM 1/98

BE-14

U.S. DEPARTMENT OF COMMERCE
BUREAU OF ECONOMIC ANALYSIS

REPORT BY A U.S. PERSON WHO ASSISTS OR INTERVENES IN THE ACQUISITION OF A U.S. BUSINESS ENTERPRISE BY, OR WHO ENTERS INTO A JOINT VENTURE WITH, A FOREIGN PERSON
MANDATORY – CONFIDENTIAL

MAIL REPORTS TO

U.S. Department of Commerce
Bureau of Economic Analysis
BE-49(NI)
Washington, DC 20230

OR

DELIVER REPORTS TO

U.S. Department of Commerce
Bureau of Economic Analysis, BE-49(NI)
Shipping and Receiving Section M-100
1441 L Street, NW
Washington, DC 20005

NOTE – A single original copy of the form shall be filed with the Bureau of Economic Analysis. File copies should be retained for 3 years after the date on which the form is due.

This report is to be completed either by –

(a) A U.S. person – including, but not limited to, an intermediary, a real estate broker, business broker, and a brokerage house – who assists or intervenes in the sale to, or purchase by, a foreign person or a U.S. affiliate of a foreign person, of a 10 percent or more voting interest in a U.S. business enterprise, including real estate; or

(b) a U.S. person who enters into a joint venture with a foreign person to create a U.S. business enterprise.

A U.S. person is required to report only when such a foreign involvement is known; it is not incumbent upon the U.S. person to ascertain the foreign status of a person involved in an acquisition unless the U.S. person has reason to believe the acquiring party may be a foreign person.

If a U.S. person required to file a Form BE-14 files Form BE-13 relating to the acquisition of the U.S. business enterprise by a foreign person, then Form BE-14 is not required.

PURPOSE – BE-14 reports are required in order to identify new foreign direct investments in the United States that may affect the U.S. and foreign economies.

MANDATORY – This survey is being conducted pursuant to the International Investment and Trade in Services Survey Act (P.L. 94–472, 90 Stat. 2059, 22 U.S.C. 3101–3108 as amended – hereinafter, “the Act”), and the filing of reports is mandatory under Section 5(b)(2) of the Act (22 U.S.C. 3104). In Section 3 of Executive Order 11961, the President designated the Department of Commerce as the federal agency responsible for collecting the required data on direct investment, and the Secretary of Commerce has assigned this responsibility to the Bureau of Economic Analysis. The implementing regulations are contained in Title 15 CFR Part 806.

CONFIDENTIALITY – The information filed in this report may be used only for analytical and statistical purposes and access to the information shall be available only to officials and employees (including consultants and contractors and their employees) of agencies designated by the President to perform functions under the Act. The President may authorize the exchange of the information between agencies or officials designated to perform functions under the Act, but only for analytical and statistical purposes. Without your prior written permission, the information filed in your report CANNOT be presented in a manner that allows it to be individually identified. Reports and copies of reports prepared pursuant to the Act are confidential and their submission or disclosure shall not be compelled by any person without the prior written permission of the person filing the report and the customer of such person where the information supplied is identifiable as being derived from the records of such customer (22 U.S.C. 3104).

EXCLUSIONS AND EXEMPTIONS

RESIDENTIAL REAL ESTATE – Residential real estate held exclusively for personal use and not for profitmaking purposes is not subject to the reporting requirements. A residence which is an owner’s primary residence that is then leased by the owner while outside the United States but which the owner intends to reoccupy, is considered real estate held for personal use. Ownership of residential real estate by a corporation whose sole purpose is to hold the real estate and where the real estate is for the personal use of the individual owner(s) of the corporation, is considered real estate held for personal use.

DOLLAR VALUE – If the U.S. business enterprise acquired has total assets of, or if the capitalization (including loans from the joint venturers) of the joint venture to be established is, \$3,000,000 or less, then no report is required, provided the enterprise does not own 200 acres or more of U.S. land. (If it owns 200 acres or more of U.S. land, a report is required regardless of the value of total assets.)

EFFECTIVE DATE – A report on this revised form is required for each covered direct investment transaction occurring on or after January 1, 1998.

ASSISTANCE – Telephone (202) 606–5577 8:30 to 4:30 eastern time.

RETENTION OF COPIES – A copy of all reports filed should be retained for 3 years beyond the report’s original due date.

DUE DATE – Form BE-14 is due no later than 45 days after the direct investment transaction occurs.

PERSON TO CONSULT CONCERNING QUESTIONS ABOUT THIS REPORT

Enter name and address

CERTIFICATION

The undersigned certifies that the information contained in this report is correct and complete to the best of his/her knowledge.

Authorized official’s signature

Title

Date

CONTROL NUMBER

The combined public reporting burden for related Forms BE-13 and BE-14 is estimated to vary from 1 to 4 hours per response, with an average of 1.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Director, Bureau of Economic Analysis (BE-1), U.S. Department of Commerce, Washington, DC 20230; and to the Office of Management and Budget, Paperwork Reduction Project 0608-0035, Washington, DC 20503.

Response to this inquiry is required by law. By the same law, your report to this Bureau is CONFIDENTIAL. It may be used only for analytical or statistical purposes and CANNOT be used for purposes of taxation, investigation, or regulation. The law also provides that copies retained in your files are immune from legal process.

Penalties – Whoever fails to report shall be subject to a civil penalty of not less than \$2,500 and not more than \$25,000, and to injunctive relief commanding such person to comply, or both. Whoever willfully fails to report shall be fined not more than \$10,000 and, if an individual, may be imprisoned for not more than one year, or both. Any officer, director, employee, or agent of any corporation who knowingly participates in such violation, upon conviction, may be punished by a like fine, imprisonment, or both. (22 U.S.C. 3105)

Notwithstanding any other provision of the law, no person is required to respond to, nor shall any person be subject to a penalty for failure to comply with, a collection of information subject to the requirements of the Paperwork Reduction Act, unless that collection of information displays a currently valid OMB Control Number.

Part I IDENTIFICATION OF PERSON FILING REPORT

1. Name and address of U.S. person assisting or intervening in the sale to, or purchase by, a foreign person of a U.S. business enterprise, or entering into a joint venture with a foreign person.

Name of U.S. person

Street or PO Box

City and State

ZIP Code

This report is being completed by (Mark (X) one)

2. A U.S. person assisting or intervening in a purchase or sale of a U.S. business enterprise

Complete Part II

3. A U.S. person entering into a joint venture with a foreign person to create a U.S. business enterprise

Complete Part III (See Page 2)

Part II INFORMATION RELATED TO PURCHASE OR SALE TRANSACTION

This Part is to be completed only if item 2, Part I above, was marked.

4. Name and address of U.S. business enterprise that is being acquired by the foreign person, or by an existing U.S. affiliate of a foreign person. (If the enterprise is in the nature of land held for investment and there is no operating enterprise, and if you mark "No" to item 5, then give name and address of U.S. person acting as agent or other intermediary of the foreign person on a continuing basis, together with sufficient information to identify the property.)

Name of U.S. business enterprise

Street or PO Box

City and State

ZIP Code

5. Do you have a continuing relationship with the foreign person, or U.S. affiliate of the foreign person, as concerns this specific investment, in the sense of being a manager, overseer, rental agent, etc., of the investment?

Yes

No

6. Give name and address of purchaser – Include country if purchaser is a foreign person.

Name of purchaser

Street or PO Box

City and State

ZIP Code

Country

7. Date transaction was completed

Month

Day

Year

8. Give value of transaction based on your records, rounded to thousands of U.S. dollars.

Mil.

Thou.

Dols.

9. If the answer to item 5 is "Yes," should future report forms be sent to you for completion?

Yes

No

Part II INFORMATION RELATED TO PURCHASE OR SALE TRANSACTION – Continued	
<i>Complete only if item 2, Part I, was marked.</i> 10. If the answer to item 9 is "No," then to whom should future report forms be sent? <i>Give name and address</i>	Name
	Street or PO Box
	City and State
	ZIP Code

Part III INFORMATION RELATED TO JOINT VENTURE – <i>This Part is to be completed only if item 3, Part I, was marked.</i>				
11. Name and address, including country, of foreign person that joint venture is with	Name of foreign person			
	Street or PO Box			
	City and State			
	Country			
	ZIP Code			
12. Name and address of U.S. business enterprise created	Name of U.S. business enterprise			
	Street or PO Box			
	City and State			
	ZIP Code			
13. Foreign person’s percent ownership of voting rights in joint venture	<table><tr><td></td><td>.</td><td>%</td></tr></table>		.	%
	.	%		
14. Name and address to which future report forms for the joint venture should be sent	Name			
	Street or PO Box			
	City and State			
	ZIP Code			

<p>Determining Whether an Individual is a Foreign Person or a U.S. Person Based on Residence</p> <p>An individual will be considered a resident of, and subject to the jurisdiction of, the country in which physically located, subject to the following qualifications:</p> <p>(a) Individuals who reside, or expect to reside, outside their country of citizenship for less than one year are considered to be residents of their country of citizenship.</p> <p>(b) Individuals who reside, or expect to reside, outside their country of citizenship for one year or more are considered to be residents of the country in which they are residing, except as provided in (c) below.</p> <p>(c) Notwithstanding (b), if an owner or employee of a business enterprise resides outside the country of location of the enterprise for one year or more for the purpose of furthering the business of the enterprise, and the country of the business enterprise is the country of citizenship of the owner, then such owner or employee shall nevertheless be considered a resident of the country of citizenship provided there is the intent to return within a reasonable period of time.</p> <p>(d) Individuals and members of their immediate families who are residing outside their country of citizenship as a result of employment by the government of that country – diplomats, consular officials, members of the armed forces, etc. – are considered to be residents of their country of citizenship.</p> <p>DEFINITIONS</p> <p>A. United States, when used in a geographic sense, means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and all territories and possessions of the United States.</p> <p>B. Foreign, when used in a geographic sense, means that which is situated outside the United States or which belongs to or is characteristic of a country other than the United States.</p> <p>C. Person means any individual, branch, partnership, associated group, association, estate, trust, corporation, or other organization (whether or not organized under the laws of any State), and any government (including a foreign government, the United States Government, a State or local government, and any agency, corporation, financial institution, or other entity or instrumentality thereof, including a government-sponsored agency).</p> <p>D. Foreign person means any person resident outside the United States or subject to the jurisdiction of a country other than the United States.</p> <p>E. Direct investment means the ownership or control, directly or indirectly, by one person of 10 per centum or more of the voting securities of an incorporated business enterprise or an equivalent interest in an unincorporated business enterprise.</p>	<p>DEFINITIONS – Continued</p> <p>F. Foreign direct investment in the United States means the ownership or control, directly or indirectly, by one foreign person of 10 per centum or more of the voting securities of an incorporated U.S. business enterprise or an equivalent interest in an unincorporated U.S. business enterprise, including a branch.</p> <p>G. Branch means the operations or activities conducted by a person in a different location in its own name rather than through an incorporated entity.</p> <p>H. Affiliate means a business enterprise located in one country which is directly or indirectly owned or controlled by a person of another country to the extent of 10 per centum or more of its voting stock for an incorporated business or an equivalent interest for an unincorporated business, including a branch.</p> <p>I. U.S. affiliate means an affiliate located in the United States in which a foreign person has a direct investment.</p> <p>J. Foreign parent means the first foreign person in the ownership chain of the U.S. affiliate.</p> <p>K. U.S. corporation means a business enterprise incorporated in the United States.</p> <p>L. Business enterprise means any organization, association, branch or venture which exists for profitmaking purposes or to otherwise secure economic advantage, and any ownership of any real estate.</p> <p>M. Banking includes business enterprises engaged in deposit banking, Edge Act corporations engaged in international or foreign banking, U.S. branches and agencies of foreign banks whether or not they accept domestic deposits, and bank holding companies, i.e. holding companies for which over 50 percent of their total income is from banks which they hold. (U.S. branches of foreign banks are U.S. persons; conversely, foreign branches of U.S. banks are foreign persons.)</p> <p>N. Intermediary means an agent, nominee, manager, custodian, trust, or any person acting in a similar capacity.</p> <p>O. Associated group means two or more persons who, by the appearance of their actions, by agreement, or by an understanding, exercise their voting privileges in a concerted manner to influence the management of a business enterprise. Each of the following are deemed to be an associated group –</p> <p>(1) Members of the same family,</p> <p>(2) A business enterprise and one or more of its officers and directors,</p> <p>(3) Members of a syndicate or joint venture, or</p> <p>(4) A corporation and its domestic subsidiaries.</p>
--	---